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Attorneys for California Department of Forestry
and Fire Protection, et al.

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

In re:

PG&E CORPORATION

- and -

PACIFIC GAS AND ELECTRIC
COMPANY,

Debtors.

- | | |
|-------------------------------------|---|
| <input type="checkbox"/> | Affects PG&E Corporation |
| <input type="checkbox"/> | Affects Pacific Gas and
Electric Company |
| <input checked="" type="checkbox"/> | Affects both Debtors |

Bankruptcy Case
No. 19-30088 (DM)

Chapter 11

(Lead Case)

(Jointly Administered)

Date: March 10, 2020
Time: 10:00 a.m.
Ctvm: 17
Judge: Dennis Montali

**BULLET POINT OPPOSITION OF THE CALIFORNIA STATE AGENCIES TO DEBTORS'
MOTION FOR ENTRY OF AN ORDER (I) APPROVING FORM AND MANNER OF NOTICE OF
HEARING ON PROPOSED DISCLOSURE STATEMENT; (II) ESTABLISHING AND
APPROVING PLAN SOLICITATION AND VOTING PROCEDURES; (III) APPROVING FORMS
OF BALLOTS, SOLICITATION PACKAGES, AND RELATED NOTICES; AND (IV) GRANTING
RELATED RELIEF[DOCKET NO. 5835]**

1 The California Department of Forestry and Fire Protection, California Department of
2 Toxic Substances Control, California Governor's Office of Emergency Services, California
3 Department of Veterans Affairs, California State University, Chico, California Department of
4 Parks and Recreation, California Department of Transportation, and California Department of
5 Developmental Services (collectively, the "California State Agencies") hereby submit their
6 "bullet point" opposition to the *Debtors' Motion for Entry of an Order (I) Approving Form and*
7 *Manner of Notice of Hearing on Proposed Disclosure Statement; (II) Establishing and Approving*
8 *Plan Solicitation and Voting Procedures; (III) Approving Forms of Ballots, Solicitation*
9 *Packages, and Related Notices; and (IV) Granting Related Relief* (the "Motion") [Docket No.
10 5835].

11 The California State Agencies met and conferred with the Debtors on Thursday, March 5,
12 2020. The Debtors circulated a revised order on the Motion which the Debtors contend addresses
13 the California State Agencies' issues stated in the bullet point objections served on February 28,
14 2020. The California State Agencies are reviewing the revised order at this time and will report
15 at the hearing any outstanding objections. The California State Agencies assert the following
16 objections to the extent they are not adequately addressed by the revised order on the Motion.¹

17 1. It is unclear from the Motion whether the Debtors' proposal that each California
18 State Agency is only entitled to a temporarily allowed claim in the amount of \$1.00 for voting
19 purposes precludes the California State Agencies from seeking temporary allowance of their
20 claims in an amount exceeding \$1.00 per agency.

21 2. The Court's Amended Order Establishing Schedule for Disclosure Statement
22 Approval and Plan Confirmation [Docket No. 5732] ("Amended Schedule Order") provides a
23 deadline of March 6, 2020, "for any creditor to file a motion pursuant to Bankruptcy Rule 3018(a)
24 seeking to temporarily allow its Claim or Interest in a different amount for purposes of voting to
25 accept or reject the Plan."

26 3. The California State Agencies intend to file timely motions to temporarily allow
27 their claims under Federal Rule of Bankruptcy Procedure 3018 ("Rule 3018") which, if granted,

28 ¹ The California State Agencies reserve the right to join in other objections to the Motion.

1 would supersede the proposed \$1.00 temporary allowance for voting purposes proposed by the
2 Debtors.

3 4. So long as the Motion does not preclude the California State Agencies from
4 seeking temporary allowance of their claims in an amount exceeding \$1.00 per agency, the
5 California State Agencies do not object to the Motion.

6 5. Any order approving the Motion should clarify that the \$1.00 temporary allowance
7 is subject to the Court's ruling on any Rule 3018(a) motion filed in accordance with the Amended
8 Schedule Order.

9 6. Any order approving the Motion should clearly state that it is without prejudice to
10 the Court's ruling on the California State Agencies' motion under Federal Rule of Bankruptcy
11 Procedure 3013 regarding classification of their fire-related claims.

12 7. The California State Agencies object to the provision in the Debtors' voting
13 procedures valuing each vote for a claim in the Fire Victim class at \$1. See Motion, pg. 16 at (c).

14 8. The California State Agencies object to the provision in the Debtors' voting
15 procedures that treats each party that holds or has filed more than one Claim in a particular Class
16 as if such entity has only one Claim in that particular Class. See Motion, pp. 16-17 at (i).

17 **RESERVATION OF RIGHTS**

18 Neither this objection nor any subsequent appearance, pleading, proof of claim, claim or
19 suit is intended or shall be deemed or construed as:

20 a. consent by the California State Agencies to the jurisdiction of this Court or
21 any other court with respect to proceedings, if any, commenced in any case against or otherwise
22 involving the California State Agencies;

23 b. waiver of any right of the California State Agencies to (i) have an
24 Article III judge adjudicate in the first instance any case, proceeding, matter or controversy as to
25 which a Bankruptcy Judge may not enter a final order or judgment consistent with Article III of
26 the United States Constitution, (ii) have final orders in non-core matters entered only after de
27 novo review by a District Court Judge, (iii) trial by jury in any proceeding so triable in the
28 Chapter 11 Cases or in any case, controversy, or proceeding related to the Chapter 11 Cases,

1 (iv) have the United States District Court withdraw the reference in any matter subject to
2 mandatory or discretionary withdrawal, or (v) any and all rights, claims, actions, defenses, setoffs,
3 recoupments or remedies to which the California State Agencies are or may be entitled under
4 agreements, in law or in equity, all of which rights, claims, actions, defenses, setoffs and
5 recoupments are expressly reserved hereby; or

6 c. waiver of any objections or defenses that the State of California, the
7 California State Agencies or any other agency, unit or entity of the State of California may have
8 to this Court's jurisdiction over the State of California, the California State Agencies or such
9 other agency, unit or entity based upon the Eleventh Amendment to the United States
10 Constitution or related principles of sovereign immunity or otherwise, all of which objections and
11 defenses are hereby reserved.

12 CONCLUSION

13 For the reasons set forth above, the California State Agencies request the Court to enter an
14 order rejecting the classification of the State Fire Claims with the Fire Victim Claims as set forth
15 in the proposed Plan.

16 Dated: March 6, 2020

Respectfully submitted,

17 XAVIER BECERRA
18 Attorney General of California
19 MARGARITA PADILLA
Supervising Deputy Attorney General

20 By: /s/ Paul J. Pascuzzi
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21 PAUL J. PASCUZZI
FELDERSTEIN FITZGERALD
22 WILLOUGHBY PASCUZZI & RIOS LLP
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23 Fire Protection, California Department of Toxic
Substances Control, California Governor's Office of
24 Emergency Services, California Department of Veterans
Affairs, California State University, California
25 Department of Parks and Recreation, California
Department of Transportation and California
26 Department of Developmental Services

1 **PROOF OF SERVICE**

2 I, Karen L. Widder, declare:

3 I am a resident of the State of California and over the age of eighteen years, and not a
4 party to the within action; my business address is 500 Capitol Mall, Suite 2250, Sacramento, CA
5 95814. On March 6, 2020, I served the within documents:

6 **BULLET POINT OPPOSITION OF THE CALIFORNIA STATE AGENCIES**
7 **TO DEBTORS' MOTION FOR ENTRY OF AN ORDER (I) APPROVING**
8 **FORM AND MANNER OF NOTICE OF HEARING ON PROPOSED**
9 **DISCLOSURE STATEMENT; (II) ESTABLISHING AND APPROVING**
10 **PLAN SOLICITATION AND VOTING PROCEDURES; (III) APPROVING**
11 **FORMS OF BALLOTS, SOLICITATION PACKAGES, AND RELATED**
12 **NOTICES; AND (IV) GRANTING RELATED RELIEF[DOCKET NO. 5835]**

13 By Electronic Service only via CM/ECF.

14 /s/ Karen L. Widder
15 Karen L. Widder
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